

Community Intentions In Non-Cash Payments

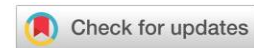
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ABSTRACT

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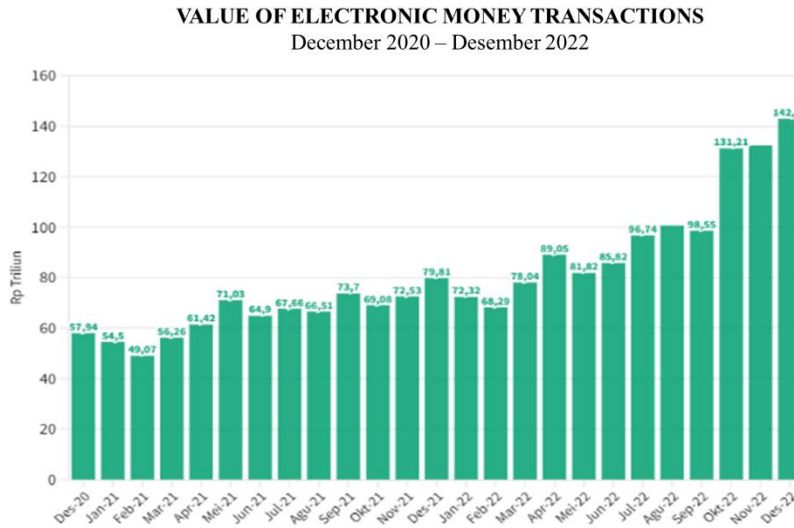
Bank Indonesia has launched the National Cashless Movement (GNNT). In practice, non-cash transactions cannot be applied optimally in society. Various factors influence the intention to use non-cash payments in society. This research aims to determine the intention to use non-cash payments as a means of payment. This research uses data collection techniques in the form of surveys by distributing questionnaires online. The respondents of this research were 164 e-money users from various regions in Indonesia. The Unified Theory of Acceptance and Use of Technology (UTAUT2) is the approach taken. This research uses the PLS-SEM model. The research results show that hedonic motivation is vital in encouraging people to make non-cash payments.

INTRODUCTION

Bank Indonesia (BI) started the National Cashless Movement (GNNT) in 2014. The aim is to build a safe, effective, and smooth payment system to help the national financial system run well. In addition, GNNT is expected to reduce cash payment problems, such as money not being received because it is damaged, worn, or not fit for circulation, and increase efficiency during transactions where people only need to carry a little money. Thus, it can increase the effectiveness of transactions by preventing calculation errors or human errors. Ultimately, GNNT will have the ability to build a society without money.

BI realizes that the payment system must adapt to the presence of digital technology in line with efforts to increase GNNT. Thus, BI has issued a blueprint for the Indonesian Payment System (SPI) 2025, which aims to make banking digitalization the leading institution in the digital financial economy through open banking and using digital technology and data in financial operations. Cashless payment systems have

been used more in Scandinavian countries, such as Germany and the Netherlands (Sreenu, 2020).



Source: Central Bank of Indonesia

Figure 1. Growth in the Value of Electronic Money Transactions in Indonesia

Adopting cashless payments has many benefits for consumers. Cashless payments offer convenience and speed (Teo et al., 2015). Cashless payments prevent robberies and other cash crimes because people hold less money when shopping. This is different from conventional cash transactions. The study notes that prerequisites for consumers' cashless readiness include access to financial services and macroeconomic and cultural factors. These factors influence consumer adoption of cashless payments, explored in this research (Armey et al., 2014). Issues related to consumer noncash payments are an essential and diverse finance research area (Świecka, 2019). Research on electronic, online, and mobile payments suggests several security concerns are among the main barriers to adopting cashless payments. Consumers may face the risk of failure to make payments due to inadequate infrastructure, the risk of misuse of personal data, the risk of fraud committed by irresponsible parties, and other risks (Saragih & Rikumahu, 2022).

Society's adoption of technology requires a subjective approach (Lee et al., 2021). The concept of non-cash payment systems has yet to reach its maturity stage in developing countries. Non-cash payment systems are expected to continue to increase (Tee & Ong, 2016). Non-cash payment systems have surpassed all limitations of currency exchange, where consumers can purchase and pay bills via smartphone (Narasimhaiah & Sam, 2015).

LITERATURE REVIEW

Performance Expectancy

Performance Expectancy is the level of consumer confidence that using the system will help them complete their tasks. If people believe that new technology will help them in their work, they are more likely to adopt it (Chua et al., 2018). If people believe that new technology will help them in their work, they are more likely to adopt it. Research conducted by Merhi et al. (2019) in the field of mobile banking proves that performance expectations have proven to play an essential role in predicting adoption behavior (Merhi et al., 2019).

Facilitating Condition

Facilitating Conditions refer to a person's perception of the value of technological resource capabilities that can assist in using information systems (Viswanath Venkatesh, 2012). Based on the conceptualization of this construct, it is hoped that it can measure consumer acceptance of non-cash payments. Facilitating conditions include the availability of information systems, consumer knowledge about information systems, skills, and internal and external support for using information systems, all related to innovation. The determining factors for usage behavior are intentions and supporting conditions (Mehmet, 2016).

Social Influence

Social Influence refers to how a person changes his behavior to meet the needs of his social environment and how he views himself about influencers, other people, and society. Persuasive communication is a source of social Influence (Sair & Danish, 2018). Sair and Danish (2018) found that social Influence dramatically influences consumers' desire to use m-banking (Sair & Danish 2018).

Innovativeness

Innovation refers to adopting new products (Świecka, 2019). Cashless payment systems are a new type of technological advancement. This progress could indicate how consumers use it for financial transactions.

Perceived Technology Security

Perceived Technology Security is related to finding gaps in the security system and finding the right solution to prevent technological errors or hacking of consumer data (Andreu, 2020). According to Shaikh and Karjaluoto (2015), technology systems must reduce consumer risks. Accurate and reliable information can gain consumer trust (Shaikh & Karjaluoto, 2015).

Hedonic Motivation

Hedonic motivation is feelings of pleasure, excitement, or satisfaction stimulated by applying technology. Venkatesh et al. (2012) in Rosmaniar (2022) found that elements such as happiness, joy, and enjoyment reflect hedonic motivation and act as essential factors in customer acceptance of technology (Viswanath Venkatesh, 2012).

METHOD

This research uses a quantitative approach to sampling. This research uses convenience sampling with the criteria, namely, consumers who have used non-cash transactions such as e-money or mobile banking to purchase products and services. Consumers were surveyed to understand the factors that motivate their adoption of various non-cash payment methods and to examine the factors that influence the adoption of non-cash payments. Respondents were asked to indicate their level of agreement/disagreement to measure the impact of behavioral factors (e.g., performance expectations, facilitating conditions, social influence, innovation, perceived technological safety, and hedonic motivation) on the adoption of non-cash payments in Indonesia, using a Likert scale 5 points from strongly disagree (1) to agree (5) strongly. The survey was conducted on consumers who have used online banking, non-cash, and other online transactions to purchase products and services. The data obtained was then processed using a Structural Evaluation Model (SEM) using Smart PLS.

Based on the previous literature review discussion and theoretical assessment of the existing UTAUT model and UTAUT2 model, this study proposes a conceptual model and six hypotheses.

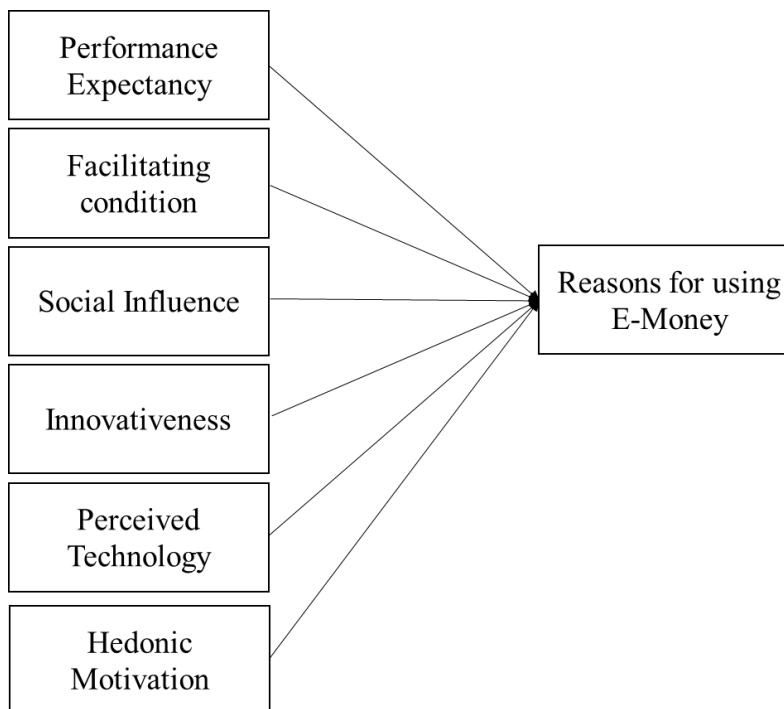


Figure 2. Conceptual Framework

H1 : Performance Expectancy has a significant positive effect on the reasons for using E-Money

H2 : Facilitating condition has a significant positive effect on the reasons for using E-Money

H3 : Social Influence has a significant positive effect on the reasons for using E-Money

H4 : Innovativeness has a significant positive effect on the reasons for using E-Money

H5 : Perceived Technology Security has a significant positive effect on the reasons for using E-Money

H6 : Hedonic Motivation has a significant positive effect on the reasons for using E-Money

Table 1. Operationalization of Variables and Measurement Items

Variable	Operationalization Of Variables And Measurement Items	
Reasons for using E-Money	Reasons why customers use e-money payments in transactions	1. I have been using cashless payment methods for some time now.
		2. I tend to increase the use of cashless payments in my daily life..
		3. I always recommend to others to use cashless payments
Performance Expectancy	A person's trust in an e-wallet helps the work they do.	1. Cashless payments help save time.
		2. Cashless payments allow me to carry out tasks (financial transfers, shopping) more easily.
		3. Cashless payments will increase my productivity.
		4. Cashless payments will improve my work performance.
Facilitating Conditions	Users can be confident that the infrastructure is available and can practically support using non-cash payments.	1. I have the necessary resources to use cashless payments.
		2. I have the necessary knowledge to use cashless payments.
		3. Cashless payments are compatible with other systems I use.
Social Influence	Someone can use non-cash payments because other people influence them.	1. Celebrities can influence my behavior in using cashless payments.
		2. Family members can influence my behavior in using cashless payments.
		3. Friends/colleagues can influence my behavior in using cashless payments.
Innovativeness	Some use technology earlier than others.	1. I am usually the first among my friends to try new information technologies.
		2. In general, I'm hesitant to change established routines.
		3. New information technology makes our lives more enjoyable
Perceived Technology Security	Security when someone uses technology	1. Security when someone uses technology
		2. Cashless payments are a secure means of sharing sensitive information.
		3. My security concerns only relate to cashless online payments.
Hedonic Motivation	The feeling of pleasure a person feels when using non-cash payments	1. Using cashless payments is fun.
		2. Relying on cash for payments is stressful.
		3. Cashless payments make me feel comfortable.

RESULT AND DISCUSSION

Table 2. Hasil Analisis Convergent Validity (Average Variance Extracted (AVE))

Variable	Average Variance Extracted (AVE)
Facilitating Condition (FC)	0,790
Hedonic Motivation (HM)	0,748
Innovativeness (IN)	0,705
Perceive Technology Security (PS)	0,765
Performance Expectancy (PE)	0,664
Social Influence (SI)	0,737
Reasons for Using E-Money (RUE)	0,695

Source: Primary Data Analysis, 2023

The analysis results show that each variable's Average Variance Extracted (AVE) value is > 0.5 , so the research meets the validity testing requirements. Then, the next stage is testing the reliability or consistency of the answers by measuring reliability analysis, and these measurements are seen from Cronbach's alpha and composite reliability. The results are as follows:

Table 3. Result of Reliability Analysis

Variable	Cronbach's Alpha	Composite Reliability
Facilitating Condition (FC)	0,737	0,882
Hedonic Motivation (HM)	0,830	0,899
Innovativeness (IN)	0,790	0,877
Perceive Technology Security (PS)	0,848	0,907
Performance Expectancy (PE)	0,827	0,887
Social Influence (SI)	0,822	0,894
Reasons for Using E-Money (RUE)	0,779	0,872

Source: Primary Data Analysis, 2023

The results of the analysis above can be seen from the value of Cronbach's alpha and composite reliability, the value is > 0.7 , so this research is reliable.

Goodness of Fit Analysis

This test is to determine whether the model in the research being studied is an appropriate model and worthy of testing or not. The results of the analysis are as follows.

Table 4. R Square Analysis

Model	R Square	R Square Adjusted
Reasons for Using E-Money (RUE)	0,793	0,784

Source: Primary Data Analysis, 2023

The Adjusted R Square value in the Reasons for Using E-Money model is 0.784 (78.4%), indicating that the variables used in this research can explain the Reasons for Using E-Money by 78.4%, and the remaining 21.6% still have other independent factors. That needs to be added in further research, which this study needs to reveal.

Table 5. F Square Analysis

Variable	Reasons for Using E-Money (RUE)
Reasons for Using E-Money (RUE)	
Facilitating Condition (FC)	0,063
Hedonic Motivation (HM)	0,057
Innovativeness (IN)	0,057
Perceive Technology Security (PS)	0,048
Performance Expectancy (PE)	0,036
Social Influence (SI)	0,060

Source: Primary Data Analysis, 2023

The results of the F square analysis show that in the Reasons for Using E-Money model, all variable values are > 0 , and the values are above 0,35, so the relationship model is robust. So that the entire model built produces an f square value > 0 , it can be said to be a good model.

Regression Analysis

This analysis explains how significant the exogenous influence is on the endogenous influence of the econometric model being analyzed.

Table 6. Path Coefficient Anaysis

Model	Original Sample (O)	T Statistics (O/STDEV)	P Values
Facilitating Condition (FC) -> Reasons for Using E-Money (RUE)	0,185	0,069	0,007
Hedonic Motivation (HM) -> Reasons for Using E-Money (RUE)	0,228	0,083	0,006
Innovativeness (IN) -> Reasons for Using E-Money (RUE)	0,167	0,066	0,011
Perceive Technology Security (PS) -> Reasons for Using E-Money (RUE)	0,170	0,073	0,021
Performance Expectancy (PE) -> Reasons for Using E-Money (RUE)	0,145	0,067	0,030
Social Influence (SI) -> Reasons for Using E-Money (RUE)	0,151	0,059	0,011

Source: Primary Data Analysis, 2023

This research shows that hedonic motivation consistently predicts behavior towards an object. Likewise, the results of data analysis show that this motivation significantly predicts intentions and reasons for using e-money. Hedonic or hedonistic motivation in UTAUT 2 theory is defined as satisfaction resulting from using technology or systems. Hedonic motivation is another construct of the UTAUT2 theory that links behavioral intention to use with the perceived pleasure and enjoyment obtained from using a particular technology. Hedonic motivations in technology

adoption include pleasure, joy, and excitement (Lowry et al., 2013). This research has a positive influence on behavior and intention to use when there is a perception of enjoyment of a particular technology. Thus, hedonic motivation is critical to understanding people's intentions regarding non-cash payments (Kim, 2006; López et al., 2016). For example, when individuals perceive non-cash payments as easy and enjoyable, there is a positive influence on the intention to use the service.

Hedonic Motivation has three dimensions. First, enjoyment is defined as the level of pleasure obtained when using technology; second, enjoyment is defined as the level of enjoyment obtained when using technology; and third, how the system can entertain users with features and convenience.

This research also shows that the behavior of people in Indonesia regarding non-cash payments, which is dominated by hedonic motivation, also occurs in several countries; this is shown by previous research regarding the intention and adoption of Internet banking by Jordanian customers, which is influenced by Hedonic Motivation (Alalwan et al., 2018). Other research also found that Hedonic Motivation also has a significant influence on behavioral intention to adopt mobile shopping applications in India and the US (Chopdar et al., 2018).

CONCLUSSION

In the UTAUT 2 theory, various factors can describe a person's intentions and reasons for adopting technology usage behavior. The results of this research show that of the various factors that encourage someone to adopt technology, hedonic motivation is one of the most vital factors. This is possible because people are starting to enjoy using non-cash payments; apart from that, there are many conveniences and facilities from service providers. Future research recommendations can be conducted using survey and interview methods to capture customer perceptions about the cashless society to strengthen the research results.

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